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14 April 1947

MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE

Subject: Administration of Special Operations

1. The current organization of the Central Intelligence Group provides a single administrative office to serve the entire Group. In the interests of security, however, Sections of each of the six Divisions functioning under the Executive for Personnel and Administration, CIG, namely, Finance, Communications, Services, Personnel, Security, and Secret, are grouped under a Projects Support Division for the exclusive purpose of servicing the U.S. Secret Intelligence Organization, the Office of Special Operations. The Chief of the Projects Support Division and the Sections comprising his Division are responsible administratively to the Executive for Personnel and Administration and operationally to the Assistant Director for Special Operations. The original concept of this organizational set-up was that there would be economy in having only one administrative organization within the Central Intelligence Group while at the same time providing necessary operational control and security to the Assistant Director for Special Operations. It was contemplated that liaison and control between the Sections of the Projects Support Division and the contiguous administrative Divisions under the Executive for Personnel and Administration would be controlled by the Assistant Director as an additional security safeguard.

2. This arrangement has now had a fair trial. Despite the good intentions and strenuous efforts of all concerned, there has resulted endless friction, confusion, misdirection, breaches of security and considerable inefficiency in operation. Nor has it been shown that any economies have in fact been realized by this arrangement. The complex operations of a secret intelligence organization pose most difficult service and administrative problems. After a fair trial it is now considered that the system of dual control outlined above (difficult enough for the simplest operations) has raised almost insurmountable obstacles to efficient and secure operations.

3. In view of the foregoing considerations, I recommend that all functions pertaining to administrative support of the Office of Special Operations and all personnel performing these functions be placed under the direct administrative and operational control of the Assistant Director for Special Operations according to the following general plans:

a. Special Funds Section, except that an auditing section be set up within Special Funds which will audit all accounts of Special Funds and which will be responsible to the Director of Central Intelligence and which will report directly to him. Since the bulk of special

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funds is expended by the Office of Special Operations, it is deemed practicable that this Section service the remainder of CIG for those small expenditures of special funds required. The Assistant Director, OSO, should continue to furnish budget estimates to the Executive for P&A and to submit all projects for expenditures to the Projects Review Committee.

b. Communications. All communications to overseas stations of OSO and personnel engaged therein.

c. Transportation and Supply Section. All supply and services for overseas installations of OSO and personnel engaged therein.

d. Personnel Procurement Section. The section providing personnel services for OSO including the procurement of covert personnel. It is practicable for the Personnel Division of P&A to procure overt and semi-covert personnel for OSO provided a competent head is obtained for the Personnel Division of P&A. The present incumbent is not regarded as competent to provide the necessary direction for this activity.

e. Special Security Section. The Section providing personnel and physical security for OSO. Because of the nature of personnel security service for OSO, it is not deemed practicable to have control of this Section in any way under individuals not responsible to the Assistant Director, OSO. However, it would appear practicable and economical for this Section to provide personnel security service for the remainder of CIG if this is desired.

f. Secret Section. This section provides certain reproduction facilities which should never be considered other than an essential operation of the Office of Special Operations.

4. It is, of course, contemplated that the Assistant Director for Special Operations would be just as fully responsible to the Office of Director for the supporting administrative services as he now is for the conduct of operations.

5. It is suggested that [ ] Advisor for Management, ICAPS, be instructed to prepare the detailed reorganizational plans to put into effect the changes in organization outlined above and to submit them with the least practicable delay to your office for approval. The Assistant Director, OSO, and the Executive for P&A should be directed to provide Colonel Shannon any assistance he may require in carrying out this task.

[ ]  
Assistant Director  
Special Operations

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